

color, national origin, race, religion, creed, disability, or sex. This provision shall include, but not be limited to the following: employment, promotion, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training including apprenticeship. The Contractor further agrees to insert a similar provision in all subcontracts for services allowed under this Contract.

2.6 Assignability.

The Contractor agrees not to assign or transfer any interest, rights, or duties in this Contract to any person, firm, or corporation without prior written consent of the Department.

2.7 Subcontractors.

The Contractor agrees that no subcontractors shall be utilized in the performance of this Contract without the prior written authorization of the Department.

2.8. Breach of Contract.

In the case of breach of contract or construction of this Contract, the Department and Contractor agree that the laws of the State of Nebraska apply and either party may pursue such remedies for breach of contract as allowed under Nebraska law.

2.9 Fiscal Responsibility and Payment for Services

The Department agrees to pay the Contractor for acute care review services provided during the first twelve-month period of the Contract an amount of \$612,780. The Department will pay the Contractor in twelve equal installments of \$51,065.00 each. The Department agrees to pay the Contractor for acute care services provided during the second twelve-month period of the Contract an amount of \$636,220. The Department will pay the Contractor in twelve equal installments of \$53,018.33.

IN WITNESS WHEREOF, the parties execute this Agreement.

APPROVED AS TO LEGAL FORM

STATE OF NEBRASKA
DEPARTMENT OF SOCIAL SERVICES

By [Signature]
Legal Services Division

By [Signature]
Kermit R. McMurry, Director

Dated this 28th day of
June, 1989

THE SUNDERBRUCH CORPORATION-
NEBRASKA

42-0992483
Federal Taxpayer Identification
Number or Social Security
Number of Contractor

By [Signature]

Dated this 19th day of
July, 1989

CC7293P

AMENDMENT

The Contract entered into between the State of Nebraska, Department of Social Services and the Sunderbruch Corporation-Nebraska on June 28, 1989, is hereby amended as follows:

1.1 Agreement

During the term of this agreement, the Contractor shall supply, and the Department shall purchase, the following services, throughout the State of Nebraska: medical and utilization review functions, consisting of preadmission review, concurrent review, continued stay review, quality review, retrospective review, and reconsiderations with respect to services and items provided to Title XIX recipients in acute care hospitals and psychiatric hospitals. The review shall not apply to:

1. Normal bassinet level of care for newborns;
2. Inpatient obstetrical care involving labor and/or delivery;
3. Inpatient physical rehabilitation;
4. Inpatient psychiatric and chemical dependency concurrent review for wards of the Department;
5. Inpatient detoxification;
6. All care provided in a Public Health Service (PHS) hospital;

7. Swing beds for Medicaid-only clients;
8. Ventilator-dependent clients;
9. Special-needs clients with special contracts;
10. Inpatient stays required to accomplish an actual surgical liver or heart transplant procedure; and
11. Inpatient hospital services in institutions for mental disease (IMDs) for clients age 65 or older.

Beginning July 1, 1990, the Contractor shall conduct a preadmission review for all patients under the age of 21 for psychiatric care and chemical dependency services.

The Contractor shall also supply and the Department shall purchase these review functions with respect to services and items provided to Nebraska-eligible Title XIX recipients in such hospitals outside Nebraska as the Department may designate.

2.9 Physical Responsibility and Payment for Services

The Department agrees to pay the Contractor for acute care review services provided during the first 12-month period of the Contract an amount of \$612,780.00. The Department will pay the Contractor in 12 equal installments of \$51,065.00 each. The Department agrees to pay the Contractor for acute care services provided during the second 12-month period of the Contract an amount of \$696,220.00. The Department will pay the Contractor in 12 equal installments of \$58,018.33.

The Contract shall remain the same in all other aspects.

APPROVED AS TO LEGAL FORM

STATE OF NEBRASKA
DEPARTMENT OF SOCIAL SERVICES

By [Signature]
Legal Services Division

By [Signature]
Kermit R. McMurry, Director

Dated this 6 day of
June, 1990

THE SUNDERBRUCH CORPORATION-NEBRASKA

42-0992483
Federal Taxpayer Identification
Number or Social Security
Number of Contractor

By [Signature]

Dated this 26 day of
June, 1990

MC/HH0150M

Transmittal # MS-91-21

Supersedes

Approved

OCT 03 1991

Effective AUG 01 1991

Transmittal # MS-88-2

AMENDMENT

The Contract entered into between the State of Nebraska, Department of Social Services and the Sunderbruch Corporation-Nebraska on June 28, 1989, is hereby amended as follows:

1.1 Agreement

During the term of this agreement, the Contractor shall supply, and the Department shall purchase, the following services, throughout the State of Nebraska: medical and utilization review functions, consisting of preadmission review, concurrent review, continued stay review, quality review, retrospective review, and reconsiderations with respect to services and items provided to Title XIX recipients in acute care hospitals and psychiatric hospitals. The review shall not apply to:

1. Normal bassinet level of care for newborns;
2. Inpatient obstetrical care involving labor and/or delivery;
3. Inpatient psychiatric and chemical dependency concurrent review for wards of the Department;
4. Inpatient detoxification;
5. All care provided in a Public Health Service (PHS) hospital;
6. Swing beds for Medicaid-only clients;
7. Ventilator-dependent clients;
8. Special-needs clients with special contracts;

9. Inpatient stays required to accomplish an actual surgical liver or heart transplant procedure; and
10. Inpatient hospital services in institutions for mental disease (IMDs) for clients age 65 or older.

Beginning July 1, 1990, the Contractor shall conduct a preadmission review for all patients under the age of 21 for psychiatric care and chemical dependency services.

The Contractor shall also supply and the Department shall purchase these review functions with respect to services and items provided to Nebraska-eligible Title XIX recipients in such hospitals outside Nebraska as the Department may designate.

Preadmission review shall mean a review of available pertinent medical information conducted prior to or at the time of admission to an inpatient status at an acute care hospital, psychiatric unit, psychiatric hospital and rehabilitation unit or hospital. This review is conducted to determine if the admission is medically necessary, whether the services will be delivered in the most appropriate setting and whether the services proposed meet professionally recognized standards of care.

Concurrent admission review shall mean a review of available pertinent medical information conducted after the admission to an inpatient status, but before discharge from an acute care hospital, psychiatric unit, psychiatric hospital and rehabilitation unit or

hospital. This review is conducted to determine if the admission is medically necessary, whether the services are being delivered in the most appropriate setting and whether the services provided meet professionally recognized standards of care.

Continued stay review shall mean a periodic review of available pertinent medical information conducted during the hospitalization to ensure that the patient continues to require and continues to receive the appropriate level of care and the services provided meet professionally recognized standards of care.

Retrospective admission review shall mean a review of available pertinent medical information conducted after admission and discharge from an inpatient status at an acute care hospital, psychiatric unit, psychiatric hospital and rehabilitation unit or hospital. This review is conducted to determine if the admission was medically necessary, whether the services were delivered in the most appropriate setting and whether the services provided meet professionally recognized standards of care.

Reconsideration shall mean a formal appeal mechanism in which the patient, physician and/or hospital can supply additional information when they are in disagreement with the denial of payment decision. The additional information must be substantiated in the medical record.

The Contractor shall utilize a random selection method to determine a 50% sample of medical surgical cases to receive continued stay review. The 50% sample will not apply to Psychiatric, Eating Disorder, Chemical Dependency, Rehabilitation admissions or reviews performed retrospectively.

The selection methodology should ensure that there is no bias for or against any Medicaid provider (physician or hospital).

The Contractor will develop a selection methodology to be agreed upon by the Department and the Contractor.

Each quarter the Contractor will profile all Nebraska Medicaid providers (physician and hospital), by admission and continued stay denials, to determine if any aberrances exist. The Contractor and the Department will agree to a methodology to establish thresholds for aberrances.

The Contractor will utilize the previous six months review results as the data base for the quarterly profiling. When an aberrant physician or hospital is identified, the Contractor will notify the Department to determine if intervention/corrective action is necessary.

The Contractor agrees to implement interventions/corrective actions, such as a more focused or intensive review of a physician or hospital, as determined by the Department.

1.5 Notice of Initial Determination.

Whenever Contractor initially determines that services or items are not medically necessary or that services or items need not be provided at a particular level of care, it shall promptly give notice of the determination to the practitioner or provider or (if applicable) both. The notice shall include a statement that the practitioner or provider may request reconsideration by the Contractor and shall explain in simple terms how to seek reconsideration. The notice shall also state that failure to request reconsideration may result in nonpayment or termination of Title XIX benefits, whichever is applicable.

Reconsideration shall be requested within 60 days of receipt of the notice of initial determination, except that in cases of retrospective review, a potential denial notice will be issued with the provider given 30 days from receipt of the potential denial notice in which to submit additional information for review that might affect the denial. Any additional information submitted will be reviewed and considered prior to the issuance of a decision. If a denial is issued, the recipient or practitioner or provider may request reconsideration by the Contractor.